Healthcare: Japan’s case

for Workshop “Migration and Competitiveness: Japan and the United States” (March 22-23, 2012)

INOUE
Assistant Professor
Women’s University

jinoue@otsuma.ac.jp
Outline

Industry Profile
2. Migrant Employment Patterns
3. The Effects of Migrants
4. Links between Migration, Labor and Other Policies
5. Alternative Options and Scenarios
6. Concluding Remarks

Jun INOUE (Otsuma Women's University)
1. Industry Profile

Small expenditure on health
- 8% of GDP (2008) ⇔ US (16%) and FRA (11%)
- 2,878 USD per capita ⇔ 3,101 USD (OECD avg.)

- But, labor market is growing
  - in the number of employed persons (Chart 1)
  - in the number of un-fulfillment of job offers (Chart 3)
  - in the number of practicing physicians/nurses (Chart 4 and 7)

- Geographically imbalanced distribution of workers
  - physicians and nurses (Fig. 1 and 4: below the OECD avg.)
2. Migrant Employment Patterns

Small number of immigrant workers
  – less than 1 % of total workers (e.g. physicians: Chart 4)
• Similarity in the role of local/migrant workers
  (e.g. physicians: Chart 11)
• Similarity in the distribution of local/migrant workers
  physicians: Figure 1)
• Local/migrant workers and the area of no-physicians
  physicians: Figure 5)

=> Immigrant workers cannot be alternative or solution
for staff shortage, imbalanced distribution between
urban/rural areas.

Jun INOUE (Otsuma Women’s University)
3. The Effects of Migrants

Conclusions of the previous section imply that the small number of immigrant practitioners cannot have substantial impact on the recruitment, remuneration and retention of local/Japanese practitioner.

- **No impact on recruitment:**
  - The MHLW does not figure in foreign practitioners when it makes human-resource plan, although Japan is faced with staff shortage.

- **No impact on remuneration/pay:**
  - Remuneration in healthcare sector is lower than other sectors (Chart 16 and 17).
  - It correlates to the self-employed or not, and the size of hospital/clinic (Chart 18 and 21).

- **No impact on retention (length of work):**
  - Retention tends to be shorter than other sectors (Chart 22 and 23).
  - It correlates to the self-employed or not, and the size of hospital/clinic (Chart 24 and 27).

Jun INOUE (Otsuma Women’s University)
4. Links between Migration, Labor and Other Policies – General Policy Framework -

The MHLW does not allow mutual recognition of qualifications/licenses

- The MHLW does not see healthcare as the sector of competitiveness
- It does not figure in immigrant worker

Therefore,

Immigrants have to pass the national exams held in Japan, if they want to practice in Japan

- Also, fluency in Japanese is reviewed before taking exams (interview test)
- Furthermore, certification of passing the Japanese-Language Proficiency Test is required (Grade N1) to take exams (*when immigrants do not graduate from Japanese junior- and senior-high schools)

Jun INOUE (Otsuma Women’s University)
4. Links between Migration, Labor and Other Policies – Bilateral Agreement under EPA -

Under the EPA, nurses and care workers from Indonesia and Philippines are allowed to work and practice in Japan temporarily (not more than 3 years). They can stay and practice as they wish after passing the national exams in Japan, but very few people can pass them (Table 1 and 3).

• So far, the EPA does not function, due to conflicting political interests in a single policy framework:
  – promoting international cooperation (MOFA)
  – not a solution for the staff-shortage (MHLW)
  – protecting national labor market (equal pay) (JHA)
  – welcoming immigrant colleagues, even if educational and financial burden becomes heavier (host hospitals/clinics)

Jun INOUE (Otsuma Women’s University)
5. Alternative Options and Scenarios

The MHLW makes it difficult for us to have an open and constructive discussion on immigrant workers

– the MHLW understands that the healthcare sector is not the sector of competitiveness, and
– it refuses to invite immigrant workers
– and emphasized to mobilize local workers, students, as well as early-retire worker
– reluctant to improve the EPA arrangement (⇔ MOFA and the cabinet)

• However, the MHLW’s approach is too cautious, because
  – requiring language proficiency easily constitutes a barrier for immigrant even in English-speaking countries (e.g. UK)
  – bilateral arrangement (such as the EPA) is a convenient tool for controlling immigrants (by introducing quota)

• A “Full-course” of regulation protects national labor market, as the MHLW believes in.
6. Concluding Remarks

• This case study is probably a special case, because ...
  – the MHLW does not see healthcare as the sector of competitiveness
  – the MHLW strongly regulates the inflow of immigrant workers, and attempts to mobilize only local workers, students and early-retirement workers to solve the staff-shortage
  – even under the EPA, Japan cautiously uses two barriers: national exams and fluency of language

• However, Japan would have to discuss the recruitment of immigrant practitioners, in case of unprecedented aging population and severe staff shortage as well as imbalanced distribution between urban and rural areas

• To be prepared for such situation, further comparative studies between industries and countries are required to see the effect of regulations on immigrants, market and society
Thank you very much for your attention!!
References

Inoue, Jun [2010], Migration of Nurses in the EU, the UK, and Japan: Regulatory Bodies and Push-Pull Factors in the International Mobility of Skilled Practitioners, Discussion Paper Series A No.526, Institute of Economic Research, Hitotsubashi Univeristy.


———, Report on Public Health Administration and Services, Tokyo.
———, Survey on Employment Trends, Tokyo.
———, Survey on No-doctor Districts, Tokyo.
———, Survey of Physicians, Dentists and Pharmacists, Tokyo.
——— [2006], Annual report on health, labour and welfare, Tokyo.
——— [2007], Annual report on health, labour and welfare, Tokyo.
——— [2009], Annual Health, labour and welfare, Tokyo.
——— [2010], Annual report on health, labour and welfare, Tokyo.
——— [2011], Annual report on health, labour and welfare, Tokyo.


Nursing and Midwifery Council (UK), The Nursing and Midwifery Council Statistical Analysis of the Register, London.


Statistical Survey Department, Statistics Bureau, Ministry of Internal Affairs and Communications, Annual reports on the labour force survey, Tokyo.
Chart 1: Employed persons by industry
Source: Statistical Survey Department, Statistics Bureau, Ministry of Internal Affairs and Communications, Annual reports on the labour force survey.
Chart 3: The number of un-fulfillment of job offers in major industrial sectors (thousands)

Chart 4 (left): The number of registered physicians in Japan (Total and Foreign practitioners)

Chart 7 (right): The number of registered nurses in Japan
*no data of foreign practitioners

Jun INOUE (Otsuma Women’s University)
Chart 11: Components of registered physicians in 2010

- Founders/Presidents of Hospitals
- Physicians of Hospitals (excluding medical schools)
- Teaching Staffs of Medical Schools
- Other Staffs of Medical Schools
- Founders/Presidents of Clinics
- Physicians of Clinics (excluding medical schools)
- Founders/Presidents of Long-time Care Facilities
- Physicians of Long-time Care Facilities
- Staffs of Educational Institutions except medical schools
- Physicians of Administrative Bodies and Public Health Services
- Others (including no jobs and don't know)
Chart 16 (left): Comparison of remuneration by industry, and the number of workforce (2002) *
* No specific data for information communication

Chart 17 (right): Comparison of remuneration by industry, and the number of workforce (2010)

Jun INOUE (Otsuma Women’s University)
Chart 18 (left): Trend in remuneration of physicians by the number of workforce

Chart 21 (right): Trend in remuneration of nurses by the number of workforce

Jun INOUE (Otsuma Women’s University)
Chart 22 (left): Comparison of retention by industry, and the number of workforce (2002) *

* No specific data for information communication

Chart 23 (right): Comparison of retention by industry, and the number of workforce (2010)
Chart 24 (left): Retention/Length of services by the number of workforce: Physicians

Chart 27 (right): Retention/Length of services by the number of workforce: Nurses
Figure 1: Physicians per 1,000 inhabitants and the number of foreign physicians

Figure 4: Nurses per 1,000 inhabitants (No data of the number of foreign nurses)
Figure 5: Areas with no physicians (2009) and the number of foreign physicians (2010)

Table 1 (left): Accepted Candidates for nurses and certified care workers by the EPA arrangement: Indonesian case

Table 3 (right): Results of the national nurse examination in 2011: Under the EPA arrangement (Indonesian candidates)

<table>
<thead>
<tr>
<th>Year</th>
<th>Candidate for Nurses</th>
<th>Candidate for Certified Care Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>104</td>
<td>104</td>
<td>208</td>
</tr>
<tr>
<td>2009</td>
<td>173</td>
<td>189</td>
<td>362</td>
</tr>
<tr>
<td>2010</td>
<td>39</td>
<td>77</td>
<td>116</td>
</tr>
<tr>
<td>2011</td>
<td>47</td>
<td>58</td>
<td>105</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Applicants</th>
<th>Successful candidate</th>
<th>Ratio of success</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrants in 2008</td>
<td>91</td>
<td>13</td>
<td>14.3%</td>
</tr>
<tr>
<td>Entrants in 2009</td>
<td>159</td>
<td>2</td>
<td>1.3%</td>
</tr>
<tr>
<td>Entrants in 2010</td>
<td>35</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>